

MEMBER CONTRIBUTION REFUNDS

Chapter 8 Contents:

I. Refund of Pension Plan Member Contributions	8-1
II. FRS Investment Plan Distributions.....	8-3

I. REFUND OF PENSION PLAN MEMBER CONTRIBUTIONS

Eligibility

Contributions made by a participating FRS employer are not refundable to the member. However, if a member of the FRS or one of the existing systems as defined in Rule 6.001(27), Florida Administrative Code, terminates all employment with FRS covered employers for any reason other than retirement or death, the member may request a refund of employee contributions paid by him/her and held by the system (and forfeit associated service credit). The refund includes payments made for additional creditable service (if any), but does not include interest¹.

A member may request a refund of employee contributions any time after terminating all employment with FRS employers. The member must remain off all FRS employer payrolls for three calendar months following termination to be eligible to receive a refund of employee contributions.

Process to Request a Refund

To request a refund of employee contributions, the member must complete and return [Form FRS-M81](#), Request for Refund.

The completed form must be sent to the Division of Retirement at:

**FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN
DIVISION OF RETIREMENT
PO BOX 9000
TALLAHASSEE FL 32315-9000**

When the division receives the completed [Form FRS-M81](#):

- Refunds due on after-tax contributions will be issued in approximately four to six weeks.
- Refunds due on pre-tax retirement account contributions or interest earned on after-tax contributions as a TRS member require a Form REF-PAYT, Refund Payout Selection, to be

¹ Note that, by law, members of the Teachers' Retirement System (TRS) are entitled to receive interest on refunded contributions; therefore, interest is included in any refund paid to a TRS or former TRS member.

completed in order to select the payout method for the taxable portion of the refund. The division will mail the form no sooner than two calendar months following the member's termination date from FRS employment.

When the division receives the completed Form REF-PAYT, and the member has terminated employment and remained off all FRS employment for three calendar months, their refund will be issued, as specified on Form REF-PAYT, in approximately four to six weeks.

Loss and Restoration of Service Credit

Any member who obtains a refund of employee contributions forfeits all retirement service credit for the period represented by the refund. The refund does not affect a member's employee non-contributory retirement credit (for example, credit earned for periods of service during which employee contributions were not required).

A member who terminates employment and obtains a refund of employee contributions may purchase credit for such prior service if the member is subsequently reemployed in a covered position with an FRS employer for one service credit year (see Chapter 7, Part III, section B., for more information).

Refund of Optional Service Credit

When a member purchases optional service credit and later decides not to claim this credit, the member may request a refund of the payments made to buy the credit; however, this type of refund is payable only after termination. If this type of refund is made at retirement, it does not require the completion of [Form FRS-M81](#), Request for Refund or Form REF-PAYT, Refund Payout Selection, if the member rolled over pre-tax funds to buy the credit.

Unclaimed Service Credit

No credit for service that remained unclaimed at retirement may be claimed or purchased after a retirement benefit payment has been cashed or deposited.

Refunds and Taxes

Refunds of pre-tax employee contributions or the interest earned on employee contributions as a TRS member² are subject to a 20 percent federal withholding tax, unless the member requests the division to roll over the taxable portion of the refund to a qualified retirement plan. For more information on the federal withholding tax on refunds, contact the Division of Retirement. You may call the division toll-free at 877-377-1266 or 850-907-6540, or email enrollment@dms.fl.gov.

See Chapter 7, Part III, or contact the Division of Retirement for more information on purchasing service credit. You may call the division toll-free at 877-377-1266 or 850-907-6540, or email enrollment@dms.fl.gov.

STATUTORY REFERENCE:

Sections 121.021(19), 121.081(2), and 121.091(5), Florida Statutes

FRS RULE REFERENCE:

Sections 60S-2.004, 3.002(6) and (7), 4.009(1) and (3), and 6.001(63), Florida Administrative Code

² See footnote 1 on Page 8-1.

II. FRS INVESTMENT PLAN DISTRIBUTIONS

Refunds as described in this chapter are not available under the FRS Investment Plan. However, various distribution options are available to such members. FRS Investment Plan members who want information about their distribution options should contact Ernst & Young³ toll-free at 866-446-9377, Option 2, for balance information and information on laws applicable to distribution. For information regarding a distribution of funds such as a refund or rollover of their individual accounts, contact Alight Solutions⁴ toll-free at 866-446-9377, Option 4.

STATUTORY REFERENCE:

Sections 121.4501(7)(c) and 121.591, Florida Statutes

FRS RULE REFERENCE:

Sections 19-12.006 and 19-12.007, Florida Administrative Code

³ Ernst & Young is a third party financial planner for members of the FRS.

⁴ Alight Solutions is the third party administrator for the FRS Investment Plan.

